

R30B31
University of Maryland Baltimore County
University System of Maryland

Operating Budget Data

(\$ in Thousands)

	<u>FY 05</u> <u>Actual</u>	<u>FY 06</u> <u>Working</u>	<u>FY 07</u> <u>Allowance</u>	<u>FY 06-07</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Funds	\$66,377	\$70,253	\$76,698	\$6,446	9.2%
Other Unrestricted Funds	149,287	158,657	165,918	7,261	4.6%
Total Unrestricted Funds	215,664	228,909	242,616	13,707	6.0%
Restricted Funds	<u>73,462</u>	<u>80,657</u>	<u>80,657</u>	<u>0</u>	<u>0%</u>
Total Funds	\$289,126	\$309,566	\$323,273	\$13,707	4.4%

- General funds increase \$6.4 million in the fiscal 2007 allowance, a 9.2% increase over 2006.
- Other unrestricted funds grow mostly from a tuition and fee revenue increase of \$3.4 million, a 3.9% increase over fiscal 2006. Overall, the University of Maryland Baltimore County's (UMBC's) budget increases 4.4%.

Personnel Data

	<u>FY 05</u> <u>Actual</u>	<u>FY 06</u> <u>Working</u>	<u>FY 07</u> <u>Allowance</u>	<u>FY 06-07</u> <u>Change</u>
Regular Positions	1,706.92	1,741.13	1,745.13	4.00
Contractual FTEs	<u>530.70</u>	<u>470.21</u>	<u>500.99</u>	<u>30.78</u>
Total Personnel	2,237.62	2,211.34	2,246.12	34.78

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	84.81	4.86%
Positions Vacant as of 12/31/05	33.53	1.90%

- The fiscal 2007 allowance includes 4 additional regular positions and 31 contractual positions, a 1.6% increase in the total workforce. The contractual positions reflect a realignment to bring the number of contractual employees in line with the fiscal 2005 actual number.

Note: Numbers may not sum to total due to rounding.

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Analysis in Brief

Major Trends

Teacher Education Enrollment Continues to Decline; Teacher Employment Increases: The number of students enrolled in the teacher education program has declined since fiscal 2002. However, the number of graduates employed in Maryland schools has increased and exceeded the objective.

African American Students Outperform All Students in Retention and Graduation Rates: UMBC African American students have consistently had higher retention rates and graduation rates than all students.

Research and Development Expenditures Increase: UMBC measures the total federal research and development expenditures per full-time faculty. The expenditures have steadily increased since at least fiscal 2001 and were \$96,800 in fiscal 2005.

Issues

Faculty Workload Increases: The University System of Maryland (USM) Board of Regents adopted a policy that requires the faculty workload of each institution to reach the midpoint of the workload range by fiscal 2006. UMBC's faculty workload increased in fiscal 2005 and is above the mid-point of the range.

Affordability Remains in Spotlight: Tuition and fee increases at UMBC keep pace with the USM average in fiscal 2007. UMBC's need-based institutional aid increases almost 18% in fiscal 2007.

Personnel Studies Continue: The USM workforce as a whole is slightly smaller than the level it was before recent cost containment. At UMBC the workforce is also slightly smaller. Instructional personnel – who fulfill the institution's core mission – account for a smaller share of total personnel than in fiscal 2002.

Recommended Actions

1. Concur with Governor's allowance.

Updates

Efficiency Initiative in First Year: As part of the efficiency initiative, USM is expecting to save \$18.7 million in fiscal 2007. UMBC's share is \$1.6 million for fiscal 2007. Additionally, UMBC is expecting to serve 91 additional students at no additional cost to the State in fiscal 2007.

R30B31 – USM – University of Maryland Baltimore County

R30B31
University of Maryland Baltimore County
University System of Maryland

Operating Budget Analysis

Program Description

The University of Maryland Baltimore County (UMBC) is a mid-sized research and doctoral-level university serving the greater Baltimore region. UMBC offers a complement of focused master's and doctoral programs closely linked to a moderate range of undergraduate programs in the arts, sciences, and engineering.

At UMBC, students are encouraged to participate in research projects. UMBC also seeks to transfer benefits of faculty research to the public and industry through its research park, business incubator, and technology transfer programs. UMBC aspires to be the best public research university of its size in the nation and has a deep commitment to the educational experience of its undergraduates.

The majority of UMBC students come from the greater Baltimore region, but the institution is enrolling an increasing number of students from other areas of Maryland, other states, and foreign countries. The campus pays special attention to the needs of non-traditional, evening, and part-time students. Well-qualified students are recruited through special scholarship initiatives such as the Humanities Scholarship Program and the Meyerhoff Scholarship Program for talented high school graduates interested in science and engineering.

The institution has adopted the six goals of the University System of Maryland (USM) which are to:

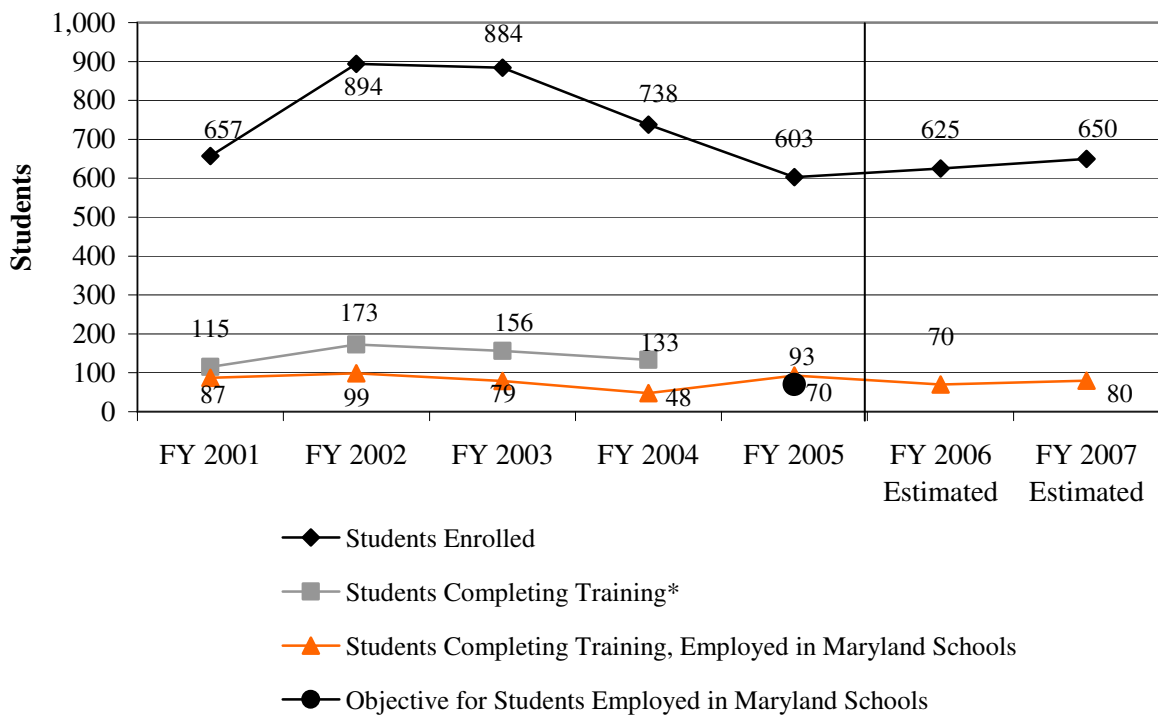
- create and maintain a well-educated workforce;
- promote economic development;
- increase access for economically disadvantaged and minority students;
- achieve and sustain national eminence in providing quality education, research, and public service;
- increase revenue from non-state sources; and
- maximize the efficient and effective use of State resources.

Performance Analysis: Managing for Results

Teacher Education Program Enrollment Continues to Decline to Its Lowest Level Since Fiscal 2001

One of UMBC’s goals is to increase the number of UMBC graduates that are employed in Maryland within key workforce areas. One workforce area is teaching in Maryland schools. The number of students enrolled in UMBC’s teacher education program continued to decline in fiscal 2005 to 603 students, as shown in **Exhibit 1**. This is short of the objective of 790 students and is the third consecutive year in which enrollment has declined from the fiscal 2002 level of 894. UMBC no longer reports the number of students completing education training, but prior to fiscal 2005, the number of students had decreased from 173 in fiscal 2002 to 133 in fiscal 2004. However, the number of students that have graduated and are employed in Maryland schools has increased from 48 in fiscal 2004 to 93 in fiscal 2005, surpassing the objective of 70 students.

Exhibit 1
Students Enrolled in and Graduating from Teacher Training Programs
Employed in Maryland Public Schools
Fiscal 2001 – 2007



Note: Data include undergraduate and post-baccalaureate students.

* Data no longer supplied from UMBC starting in fiscal 2005.

Source: Maryland State Budget Books

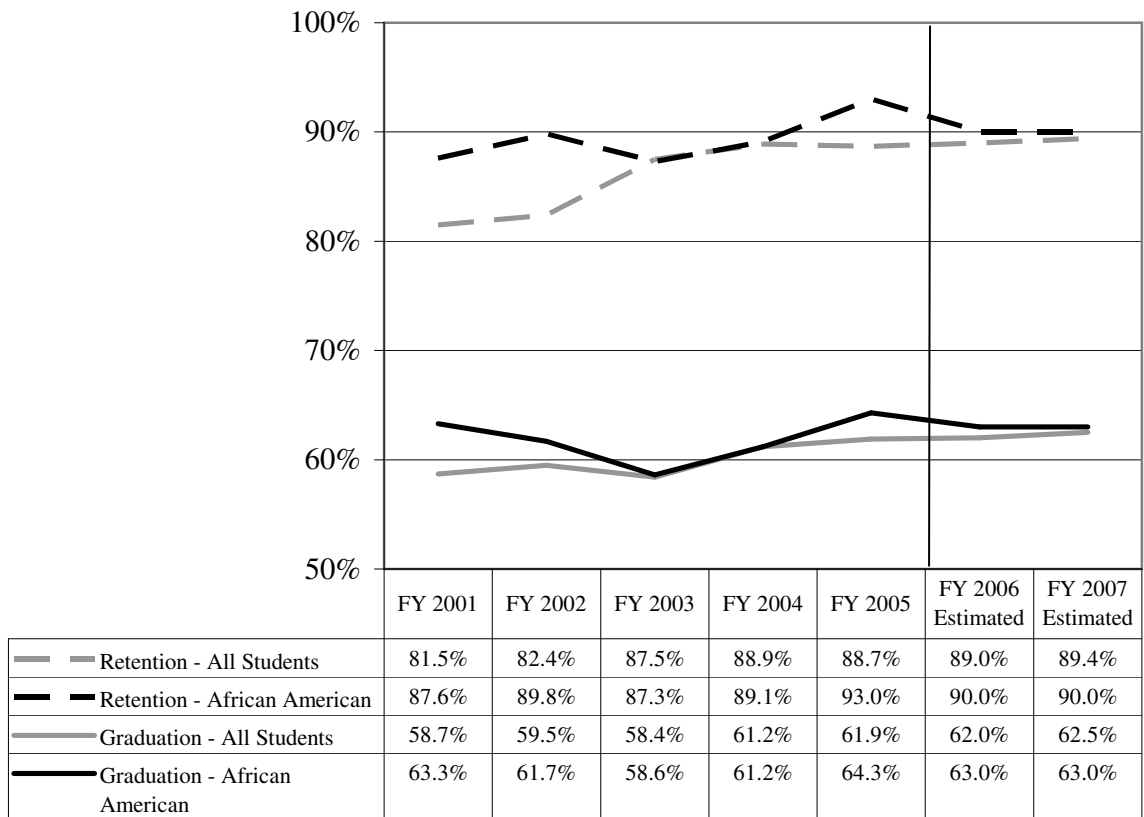
UMBC reports this larger than expected increase in fiscal 2005 is likely because there was a lag in graduation of students who did not complete the Praxis II exams in fiscal 2004 who then completed them in fiscal 2005. The sharp increase is expected to be temporary because completing Praxis II is now a requirement for completing the program. **The President should comment on reasons for the decline in teacher enrollment and efforts to increase enrollment.**

African American Retention and Graduation Rates Surpass the Rates for All Students

Another goal of UMBC is to enhance the access and success of minority students. African American students made up 14.5% of the undergraduate student body in fiscal 2005. This falls short of the USM average of 25% of the undergraduate student body.

The retention and graduation rates of African American students continue to be the same or higher than the rates for all students. As shown in **Exhibit 2**, the retention rate for all students remains steady at 88.7%. The retention rate for African American students increased from 89.1% to 93%, thus remaining at a level the same as or higher than that for all students for at least the past five years.

Exhibit 2
Graduation and Retention Rates, All Students and African American Students
Fiscal 2001 – 2007



Source: Maryland State Budget Books

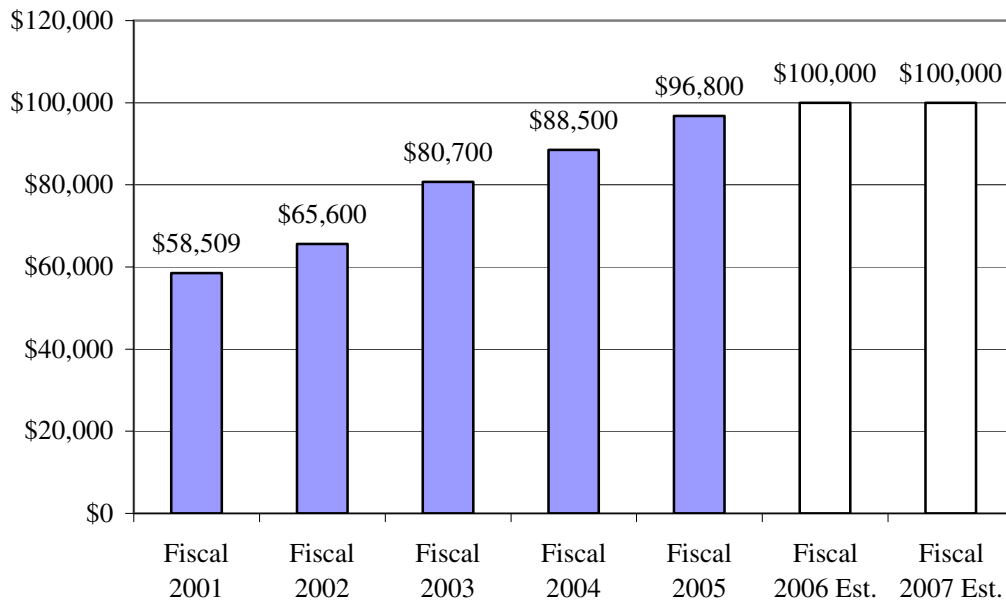
The graduation rate for all students increased slightly from 61.2% in fiscal 2004 to 61.9% in fiscal 2005. The African American graduation rate remained the same as or higher than that for all students for the past five years as well. Specifically, the graduation rate increased from 61.2% in fiscal 2004 to 64.3% in 2005. UMBC has consistently performed better than USM for retention and graduation rates of African American students. Furthermore, within UMBC the African American retention and graduation rate has generally exceeded that of all students.

UMBC attributes the retention and graduation rates for African American students to their ability to attract these students to the science, technology, engineering, and math areas through the Meyerhoff Scholarship program, the Louis Stokes Alliance for Minority Participation program, and the Minority Access to Research Careers Undergraduate Student Training in Academic Research program. These programs provide scholarship support and programmatic activities that encourage interaction among the students as well as between the students and faculty.

Research and Development Expenditures Increase

Another of UMBC’s goals as a research institution is to provide quality research. One way to measure this goal is by tracking the total federal research and development expenditures per full-time faculty. As shown in **Exhibit 3**, expenditures have been increasing steadily since at least fiscal 2001. Currently, there is \$96,800 in federal research and development expenditures per full-time faculty. This amount is expected to increase in fiscal 2006.

Exhibit 3
Total Federal Research and Development Expenditures per Full-time Faculty
Fiscal 2001 – 2007



Source: Maryland State Budget Books; University of Maryland Baltimore County

UMBC also tracks its impact on the economic development of Maryland. One objective is to increase the number of jobs created by UMBC’s Technology Center and Research Park from 520 in fiscal 2004 to 950 in fiscal 2009. This measurement appears to be on track in that the number increased to 600 for fiscal 2005 and is projected to reach 800 by fiscal 2007.

Governor’s Proposed Budget

The general fund allowance for fiscal 2007 is \$6.4 million above the fiscal 2006 level, an increase of 9.2%, as shown in **Exhibit 4**. UMBC reports that \$4.7 million is for current services cost increases including health insurance and fringe benefits, \$1.5 million is based on enrollment growth, and the remaining is for fundraising support. The funding based on growth will provide faculty, library acquisitions, and other academic and student services support.

Exhibit 4
Governor’s Proposed Budget
University of Maryland Baltimore County
(\$ in Thousands)

	FY 05	FY 06	FY 07	FY 06 – 07	% Change
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>	<u>Prior Year</u>
General Funds	\$66,377	\$70,253	\$76,698	\$6,446	9.2%
Other Unrestricted Funds	149,287	158,657	165,918	7,261	4.6%
Total Unrestricted Funds	215,664	228,909	242,616	13,707	6.0%
Restricted Funds	73,462	80,657	80,657	0	0.0%
Total Funds	\$289,126	\$309,566	\$323,273	\$13,707	4.4%

Note: Numbers may not sum to total due to rounding.

Other unrestricted funds in the allowance grow mostly from a tuition and fee revenue increase of \$3.4 million, or 3.9% over fiscal 2006. Considering all increases and decreases, total unrestricted funds increase \$13.7 million. Overall, UMBC’s budget increases \$13.7 million or 4.4% as there is no increase in restricted funds in the fiscal 2007 allowance.

Budget changes in the allowance by program are shown in **Exhibit 5**. This exhibit considers only unrestricted funds, of which general funds and tuition and fees are the majority. Of the education and general expenditures in the fiscal 2007 allowance, operation and maintenance of plant increase at the highest rate (11.2%) from 2006. Scholarships and fellowships have the next highest growth rate (7.8%), followed by instruction (7.5%). Public service decreases 34.7% from fiscal 2006. The decrease is mostly due to a decrease in contractual services, which reflects a decrease in Department of Health and Mental Hygiene managed care grants to UMBC’s Center for Health Program Development and Management.

Exhibit 5
UMBC Budget Changes for Unrestricted Funds by Program
Fiscal 2002, 2006, and 2007
(\$ in Thousands)

	FY 2002	FY 2006	FY 02-06	FY 2007	FY 06-07	FY 06-07
	<u>Actual</u>	<u>Working</u>	<u>% Change</u>	<u>Allowance</u>	<u>Change</u>	<u>% Change</u>
Expenditures						
Instruction	\$65,260	\$77,240	18.4%	\$83,001	\$5,761	7.5%
Research	6,933	6,550	-5.5%	6,732	182	2.8%
Public Service	1,912	3,797	98.5%	2,481	-1,316	-34.7%
Academic Support	15,530	17,517	12.8%	17,596	79	0.4%
Student Services	7,123	9,457	32.8%	9,559	102	1.1%
Institutional Support	23,059	25,242	9.5%	26,121	879	3.5%
Operation and Maintenance of Plant	18,607	23,076	24.0%	25,666	2,590	11.2%
Scholarships and Fellowships	12,143	18,318	50.9%	19,753	1,434	7.8%
Education and General Total	\$150,566	\$181,199	20.3%	\$190,909	\$9,710	5.4%
Auxiliary Enterprises	\$42,973	\$47,710	11.0%	\$51,707	\$3,997	8.4%
Grand Total	\$193,539	\$228,909	18.3%	\$242,616	\$13,707	6.0%
Revenues						
Tuition and Fees	\$54,140	\$85,670	58.2%	\$89,037	\$3,367	3.9%
General Funds	75,818	70,253	-7.3%	76,698	6,446	9.2%
Other Unrestricted Funds	19,938	26,460	32.7%	26,935	475	1.8%
Subtotal	\$149,895	\$182,383	21.7%	\$192,670	\$10,287	5.6%
Auxiliary Enterprises	\$41,196	\$48,419	17.5%	\$52,199	\$3,780	7.8%
Transfer (to)/from Fund Balance	2,448	-1,892	-177.3%	-2,253	-360	19.0%
Grand Total	\$193,539	\$228,909	18.3%	\$242,616	\$13,707	6.0%

Note: Unrestricted funds only. All programs.

Source: Maryland State Budget Books

The expenditure patterns in fiscal 2007 differ from expenditure patterns from fiscal 2002 to 2006, when public service had the highest growth rate (98.5%), scholarships and fellowships had the second highest growth rate (50.9%), and instruction had the fifth highest growth rate (18.4%). Overall, expenditures for education and general expenses are projected to grow \$9.7 million, or 5.4% over fiscal 2006.

The President should comment on how UMBC intends to spend the additional general funds including the \$1.5 million based on enrollment growth. Additionally, the President should discuss the increases in unrestricted funds by program.

Allowance Includes \$3.5 Million for UMBC School of Aging Studies

UMBC also receives a \$3.5 million general fund enhancement from the Maryland Higher Education Commission in the allowance, which brings the general fund increase to 11.7% over fiscal 2006. The enhancement is directed to UMBC's new School of Aging Studies. In addition to State funding, the school has received \$4 million in a monetary donation from the Erickson Foundation. The use of these funds are spread out through fiscal 2011. Additionally, other grants and contributions including endowment income total \$1.4 million, also to be used through fiscal 2011. Of all these donated funds, \$150,000 is to be used in fiscal 2007. The use of donated funds will increase to \$1.1 million in fiscal 2008 and remain at or above that level through fiscal 2011. Donated funds will be used for student scholarships and ensuring multi-year commitments to tenured faculty. State funds will be used to start operations as described below. In fiscal 2007 the school is also expecting to generate tuition and fee revenue from the undergraduate program for the first time. Research revenues are expected to increase from \$0.4 million in fiscal 2006 to \$0.9 million in 2007.

The UMBC School of Aging Studies received State funding for the first time in fiscal 2006 when the school began. Originally, the school had anticipated \$2.5 million in State funds for two years, or a total of \$5 million in State funds. The School of Aging Studies received \$1.5 million in State funding in fiscal 2006. The school spent this money on developing curricula for undergraduate and post-baccalaureate students, a marketing campaign, recruiting faculty, and providing executive education courses. UMBC plans to spend the additional \$3.5 million in the fiscal 2007 allowance on launching the Management of Aging Services undergraduate program (\$0.7 million), recruiting 200 additional students to the undergraduate program by September 2007 (\$1.4 million), recruiting 8 additional faculty (for a total of 14 faculty) (\$0.4 million), launching research initiatives (\$0.6 million), developing a masters degree curriculum (\$0.2 million), and expanding extramural research funding by 50% (\$0.2 million). Total earmarked State support for the school is expected to be \$5 million.

Currently, the school has a non-degree program for executives in the senior housing and care industry. There are 130 students enrolled in one or more of the seven courses offered. Including returning students, 169 seats have been filled thus far. There are currently two degree programs in the school. The post-baccalaureate certificate program in Seniors Housing Administration received final approval in January 2006 and will begin enrolling students in late February 2006. UMBC expects 10 to 20 students to apply for the certificate in the first year. The second degree program is a bachelor of arts in Management of Aging Services. The program will be launched in the fall of 2006, and UMBC expects a minimum of 100 students to enroll. There are currently four full-time faculty

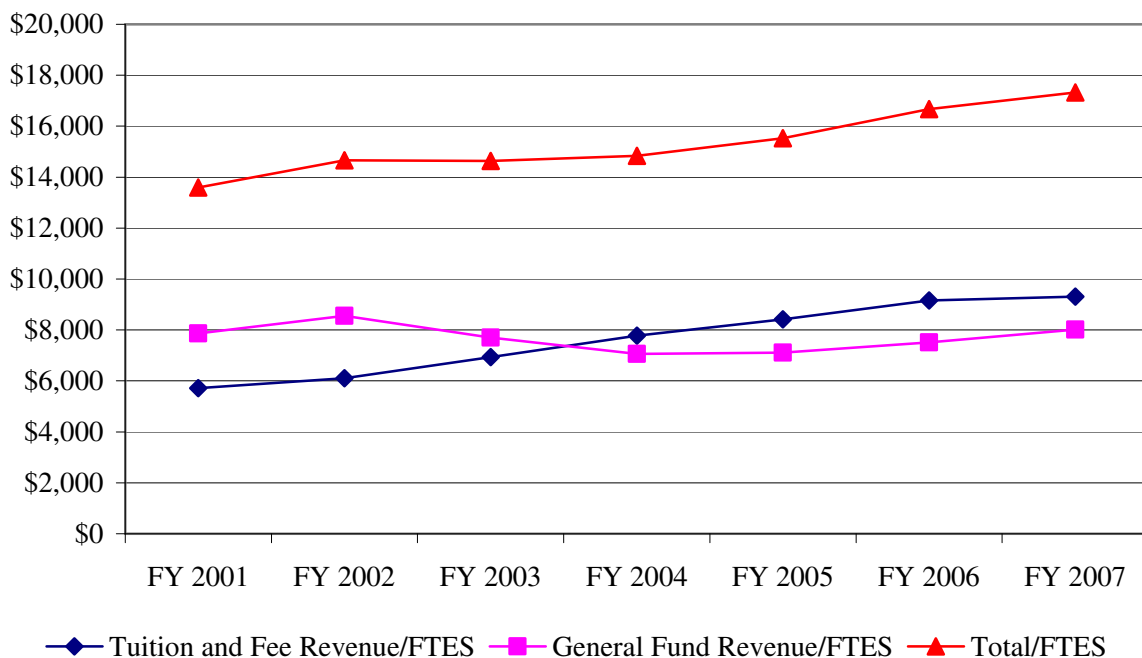
members and more than 12 affiliate and adjunct faculty in the school. UMBC is currently recruiting two additional faculty members.

DLS recommends reducing the funds allocated to the UMBC School of Aging Studies by \$1.75 million for fiscal 2007. With this reduction the school would still receive \$1.75 million in fiscal 2007. An additional \$1.75 million in earmarked State funding would be required in subsequent years to achieve the \$5 million in State funding requested for the school.

Tuition and Fees and General Fund Revenue

Exhibit 6 shows tuition and fees and general fund revenues per full-time equivalent student (FTES) between fiscal 2001 and 2007. At UMBC general fund revenue per FTES provided the majority of funds from at least fiscal 2001 through 2003. In fiscal 2004, general funds per FTES decreased, and tuition and fee revenues per FTES increased to a level where they became the majority of funding per FTES. General funds per FTES decreased 18% between fiscal 2002 and 2004, while tuition and fee revenues per FTES increased 27%. Overall, general funds per FTES increase 2% from fiscal 2001 through 2007, and tuition and fee revenue per FTES increase 63% during the same time frame. For fiscal 2007, tuition and fee revenue per FTES is \$9,305, and general fund revenue per FTES is \$8,015. The total revenue per FTES is \$17,320. Tuition and fee revenue per FTES is 54% of the total.

Exhibit 6
Tuition and Fees and General Fund Revenues Per Full-time Equivalent Student
Fiscal 2001 – 2007



Source: Maryland State Budget Books

Enrollment Growth Planned for UMBC

USM is estimating that enrollment at UMBC will grow by 196 additional FTES in fiscal 2007. This estimate does not include the additional 91 students that may be accommodated through the efficiency initiative discussed in Update 1. However, the 196 additional FTES does account for the 100 additional School of Aging students taking course work unrelated to aging studies. USM has allocated \$1.5 million in general funds for fiscal 2007 based on these additional 196 students. Accommodating additional students may require additional classroom and research lab space. An analysis was completed by the Department of Legislative Services (DLS) of existing classroom and research space and whether this meets the needs of the campus given current enrollment levels. In fiscal 2005, UMBC's classroom space was 63% of the needed space for fiscal 2005 enrollment levels. This equates to a shortage in classroom space of five square feet per FTES. UMBC's research lab space was 68.5% of the needed space for fiscal 2005 enrollment levels. This equates to a shortage in research space of seven square feet per FTES. **The President should comment on how UMBC will accommodate the enrollment growth from the perspective of classroom and research lab space and other necessary building space including dormitories, dining services, and parking facilities.**

Issues

1. Faculty Workload Increases

USM began an effectiveness and efficiency initiative in fiscal 2006 that will continue through 2008. Most of the academic fiscal effects of USM's efficiency initiative will be realized through increases in faculty workload. The Board of Regents requires each research institution's faculty workload to reach the midrange of the target of 5 – 6 course units per full-time tenured/tenure track faculty, or 5.5 course units by fiscal 2006. UMBC has performed equal to or better than the USM average faculty workload for research institutions since at least fiscal 2001. In fiscal 2005, the faculty workload for UMBC increased to 5.7 course units, as shown in **Exhibit 7**. This is above the USM average of 5.3 course units.

Exhibit 7
Course Units Taught by FTE Tenured and Tenure-track Faculty
Fiscal 2001 – 2005

	<u>2000-2001</u> Courses/FTEF	<u>2001-2002</u> Courses/FTEF	<u>2002-2003</u> Courses/FTEF	<u>2003-2004</u> Courses/FTEF	<u>2004-2005</u> Courses/FTEF
UMBC	5.0	5.1	5.0	5.2	5.7
All USM Research Institutions	5.0	5.0	5.0	5.1	5.3

Notes: UMBC data are for State-supported FTEs only.

Tenured and tenure-track faculty include sabbaticals and exclude department chairs.

The Board of Regents standard for instructional workload at research institutions is 5 to 6 course units annually.

FTEF = full-time equivalent faculty

Source: University System of Maryland

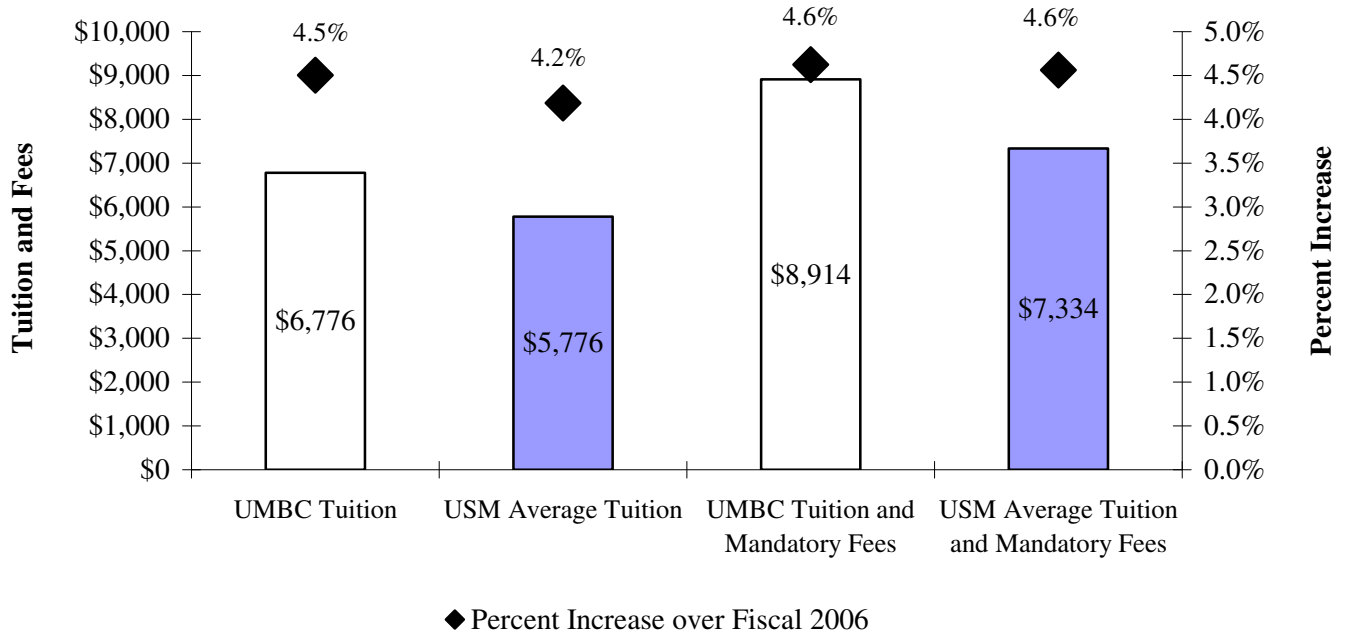
2. Affordability Remains in Spotlight

Affordability continues to be a concern for Maryland public higher education. *Measuring Up 2004*, produced by the National Center for Public Policy and Higher Education, rated Maryland an F in affordability. The report measures whether students and families can afford to pay for a postsecondary education given income levels, financial aid, and the types of colleges and universities in the State. An updated report is expected to be issued in 2006.

Tuition and Fee Increases

A factor that directly affects affordability is tuition and fee rates. For fiscal 2007, the USM weighted average resident undergraduate tuition rate increases 4.2%, as shown in **Exhibit 8**. By comparison, UMBC's tuition rate increases 4.5%. Considering tuition together with mandatory fees, the USM weighted average increases 4.6%. UMBC's tuition and mandatory fees also increase 4.6%.

**Exhibit 8
UMBC Tuition and Mandatory Fees for Resident Undergraduates
Fiscal 2007**



Source: University System of Maryland; Department of Legislative Services

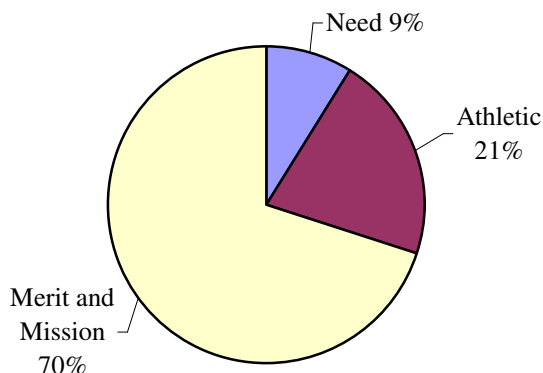
Institutional Aid Focuses on Need

Another factor that affects affordability is financial aid. Categories of financial aid include need, athletic, merit, and mission. Data on funding amounts is available only in categories of need, athletic, and combined merit and mission. In summer 2004, the USM Chancellor convened a task force on financial aid, which found that much more aid should be directed to the need-based category.

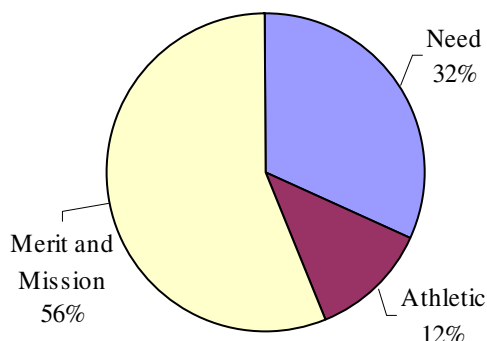
In fiscal 2006 most institutional aid at UMBC falls into the merit and mission category (70%), and 9% goes to need-based aid, as shown in **Exhibit 9**. UMBC’s merit and mission share of aid is higher than the systemwide share of aid (56%). The need-based aid at UMBC is lower than USM as a whole, which is 32%. Athletic aid at UMBC is 21%, which is higher than USM as a whole (12%). Institutional aid is one kind of aid students receive and may be accompanied by State and federal aid.

**Exhibit 9
Institutional Financial Aid
Fiscal 2006**

University of Maryland Baltimore County



University System of Maryland

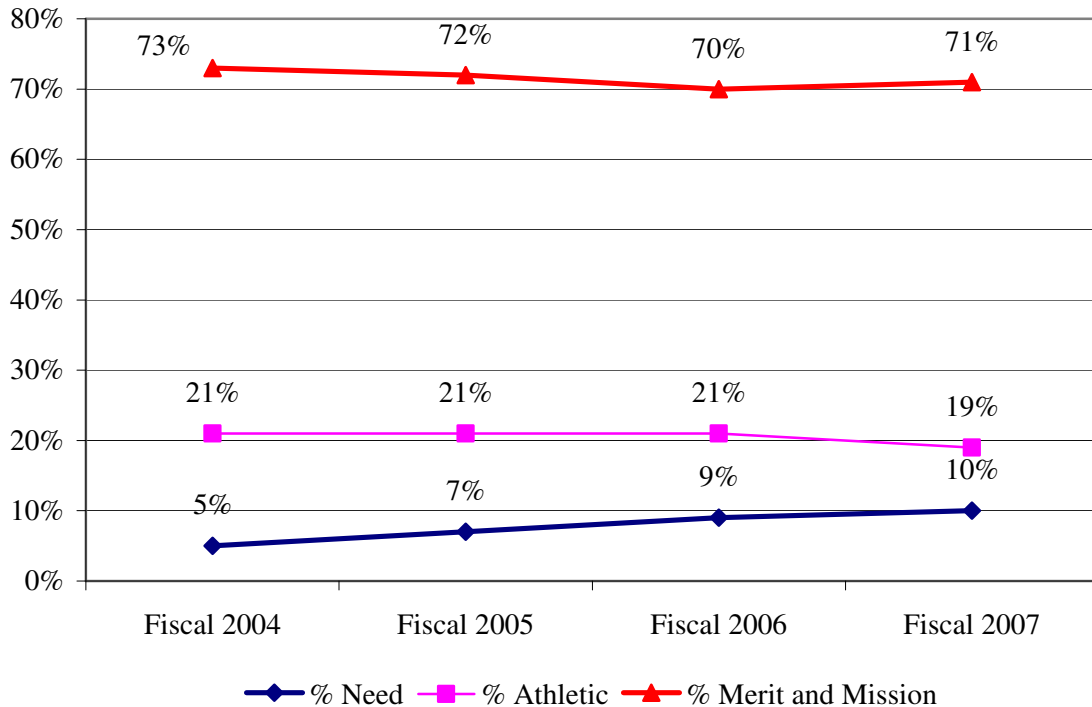


	<u>Need</u>	<u>Athletic</u>	<u>Merit and Mission</u>
UMBC	\$1,517,000	\$3,551,682	\$11,826,923
USM Total	\$24,228,689	\$9,317,807	\$42,873,813

Source: University System of Maryland

Since fiscal 2004 the proportion of need-based aid at UMBC is projected to increase from 5% to 10% in fiscal 2007, as shown in **Exhibit 10**. This reflects an anticipated increase in need-based aid from \$773,651 in fiscal 2004 to \$1.8 million in fiscal 2007. During the same time period athletic aid is expected to decrease from 21% in fiscal 2004 to 19% in 2007. The actual spending on athletic aid was \$3 million in fiscal 2004 and will increase slightly to \$3.6 million in 2007. Merit and mission aid has also somewhat decreased from 73% of the share in fiscal 2004 to an expected 71% in 2007. In fiscal 2004 this corresponded to \$10.4 million and in fiscal 2007 this corresponds to \$13 million. The amount of need-based aid awarded to UMBC students is estimated to increase 17.7% from fiscal 2006 to 2007. Comparatively, UMBC's tuition will increase 4.5% during the same time period. The increase in need-based aid is consistent with the Chancellor's recommendation to direct more aid to the need-based category.

**Exhibit 10
UMBC Institutional Aid Types
Fiscal 2004 – 2007**



Source: University System of Maryland

3. Personnel Studies Continue

In fiscal 2006, the USM workforce as a whole is slightly smaller than the level it was before recent cost containment. At UMBC the workforce is also smaller than it was before cost containment. In fiscal 2002, UMBC’s regular and contractual positions totaled 2,293, and in 2006 the total is 2,211. These numbers include filled and unfilled positions. The fiscal 2007 allowance, however, would bring the number of total positions at UMBC to 2,246 positions. The allowance provides an additional 4 regular positions. All 4 positions are State-supported positions in the institutional support program and are exempt personnel. Exempt personnel generally are higher paid administrators and managers and are exempt from overtime pay.

UMBC is carrying fewer vacancies than called for in the fiscal 2006 budget. The fiscal 2006 budget calls for a vacancy rate of 3.95%, or 69 positions, but UMBC has 34 vacancies as of December 2005. The fiscal 2007 budget calls for a vacancy rate, excluding new positions, of 4.86%, or 85 positions.

The composition of UMBC’s personnel has changed somewhat since fiscal 2002, as shown in **Exhibit 11** (the data in this exhibit are for filled regular positions only). Instructional personnel – who fulfill the institution’s core mission – account for less of a share of total personnel than in fiscal 2002. Instructional personnel include faculty as well as faculty support staff. For USM as a whole, instructional personnel’s share of the total also declined slightly from fiscal 2002 to 2006. Furthermore, UMBC’s proportion of instructional personnel (40.5%) is larger than the USM average (32.7%) in fiscal 2006. The total number of filled regular positions at UMBC has increased from 1,275 in fiscal 2002 to 1,666 in fiscal 2006.

Exhibit 11
UMBC Full-time Equivalent Personnel by Budget Program
Filed Regular Positions
Fiscal 2002, 2005, and 2006

	<u>Fiscal 2002</u>		<u>Fiscal 2005</u>		<u>Fiscal 2006</u>		Change in Share of Total 02 – 06
	<u>FTEs</u>	<u>% of Total FTEs</u>	<u>FTEs</u>	<u>% of Total FTEs</u>	<u>FTEs</u>	<u>% of Total FTEs</u>	
Instruction	579	45.4%	599	38.0%	675	40.5%	-4.9
Research	18	1.4%	221	14.0%	192	11.5%	10.1
Public Service	6	0.5%	71	4.5%	82	4.9%	4.4
Academic Support	134	10.5%	127	8.1%	155	9.3%	-1.3
Student Services	95	7.4%	98	6.2%	100	6.0%	-1.4
Institutional Support	249	19.6%	244	15.5%	232	13.9%	-5.6
Operations, Maintenance of Plant	86	6.7%	84	5.3%	83	5.0%	-1.7
Auxiliary Enterprises	108	8.4%	132	8.4%	148	8.9%	0.4
Total	1,275	100.0%	1,576	100.0%	1,666	100.0%	

Notes: Data are for filled regular positions only. All data are self-reported and unaudited.

Numbers may not sum to total due to rounding.

Source: University of Maryland Baltimore County.

DLS also reviewed personnel by faculty, exempt, and non-exempt categories. UMBC’s overall instructional personnel proportion is above the USM average, it is also above the USM average when considering faculty alone. At UMBC, filled regular faculty positions account for 41.1% of the fiscal 2006 total as compared to the USM average of 38.7%. Exempt personnel make up 30.6% of staff at UMBC, which is lower than the USM average of 33.3%. Non-exempt personnel make up 28.3% of the total at UMBC, which is slightly higher than the USM average of 28.1%.

Recommended Actions

1. Concur with Governor's allowance.

Updates

1. Efficiency Initiative in First Year

In October 2004, USM unveiled its effectiveness and efficiency plan. The system will pursue more than a dozen initiatives beginning in fiscal 2006 and continuing through fiscal 2008. USM estimates that the fiscal 2007 savings will be \$18.7 million. These savings are built into the 2007 allowance, meaning estimates of current services cost increases would be \$18.7 million higher without the efficiency savings.

As shown in **Exhibit 12**, UMBC's share of the savings is estimated at \$1.6 million in fiscal 2007. To achieve these savings, UMBC plans to increase revenues from non-traditional course offerings, such as on-line courses and auxiliary semester enrollment, and energy management and conservation programs.

Exhibit 12
UMBC's Expected Efficiency Savings
Fiscal 2006 – 2007

	<u>Fiscal 2006</u>	<u>Fiscal 2007</u>
UMBC	\$1,501,890	\$1,581,791

Note: The expected savings represent 1% of the State-supported funds.

Source: University System of Maryland

Initiatives Estimated to Support 273 Added Students through 2008 at No Additional Cost to State

One measure of the fiscal effects of the efficiency initiative is the number of additional FTES that each institution can serve with existing resources. This is in addition to increased enrollment supported with funds in the fiscal 2007 allowance. There are many ways to achieve these savings. One is by increasing summer and winter term enrollment, which are auxiliary programs and require no State funding. Another is by increasing the number of students graduating in four years, allowing for an increased student turn-over and added capacity. As shown in **Exhibit 13**, UMBC is expected to support 273 FTES through fiscal 2008 as a result of the efficiency initiative, or 91 students each year.

Exhibit 13
Additional Students Served at No Additional Cost to the State
Fiscal 2006 – 2008

	<u>Fiscal 2006</u> <u>Estimated</u>	<u>Fiscal 2007</u> <u>Estimated</u>	<u>Fiscal 2008</u> <u>Estimated</u>	<u>Total</u>
UMBC	91	91	91	273

Source: University System of Maryland

Current and Prior Year Budgets

Current and Prior Year Budgets University of Maryland Baltimore County (\$ in Thousands)

	<u>General Fund</u>	<u>Other Unrestricted Fund</u>	<u>Total Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Total</u>
Fiscal 2005					
Legislative Appropriation	\$65,393	\$145,370	\$210,763	\$93,672	\$304,435
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	984	3,968	4,952	-9,021	-4,069
Reversions and Cancellations	0	-51	-51	-11,189	-11,240
Actual Expenditures	\$66,377	\$149,287	\$215,664	\$73,462	\$289,126
Fiscal 2006					
Legislative Appropriation	\$69,264	\$153,074	\$222,338	\$86,240	\$308,578
Budget Amendments	989	5,583	6,572	-5,583	989
Working Appropriation	\$70,253	\$158,657	\$228,910	\$80,657	\$309,567

Note: Numbers may not sum to total due to rounding.

Fiscal 2005

UMBC's general funds increased \$1 million through budget amendment for State employee cost-of-living increases. Other unrestricted funds increased \$4.0 million also through budget amendments. Of this net amount, increases included \$3.5 million in sales and services of auxiliary enterprises, \$1.3 million in tuition and fee revenue, and \$0.3 million in sales and services of educational activities. Decreases included a \$0.5 million transfer to fund balance, \$0.4 million in miscellaneous revenue, \$0.2 million in sales and services of auxiliary enterprises, and \$0.08 million in federal grants and contracts.

Restricted funds for UMBC decreased \$9 million through budget amendments. This decrease includes \$6 million in federal contracts and grants and \$3 million in State and local contracts and grants.

Cancellations for unrestricted funds totaled \$0.05 million. Cancellations for restricted funds totaled \$11.2 million. Of this amount, \$3.2 million was from scholarships. The remaining \$8.0 million was from public service activities related to grants for UMBC's Center for Health Program Development and Management, the Choice Middle Schools program, the Corporation for National Service program, and the Shriver Center.

Fiscal 2006

For fiscal 2006, general funds increased \$988,513 through budget amendment for State employee cost-of-living increases. Other unrestricted funds increased a net \$5.6 million. Increases included \$2.8 million in miscellaneous revenue. This revenue included \$1.5 million transferred from the Maryland Higher Education Commission and \$1 million from the Erickson Foundation. This \$2.5 million was for the Erickson School of Aging Studies. Also included in the \$2.8 million increase in miscellaneous revenue was \$0.3 million from the professional education workshops. Increases in other unrestricted funds also included \$2.4 million from sales and services of auxiliary enterprises, \$0.5 million from an increase in grant and contracts, and the remaining increase is from sales and services of educational activities and tuition revenue from summer programs. A small decrease was made for a transfer to the fund balance.

Restricted funds decreased a net \$5.6 million due to an \$11.6 million decrease in State, local and private grants and contracts and a \$6.1 million increase in federal contracts and grants.

Audit Findings

Audit Period for Last Audit:	July 26, 1999 – January 31, 2002
Issue Date:	October 2002
Number of Findings:	8
Number of Repeat Findings:	2
% of Repeat Findings:	25%
Rating: (if applicable)	n/a

- Finding 1:** Purchases and Disbursements – adequate internal controls were not established over the processing of purchase and disbursement transactions.
- Finding 2:** Information Systems – security measures to protect critical network resources were deficient.
- Finding 3:** Information Systems – the university did not have formal plans addressing information technology resource security or disaster recovery.
- Finding 4:** Information Systems – program change procedures and user account password requirements did not provide sufficiency control.
- Finding 5:** **Corporate Purchasing Cards – the university did not always adhere to State and university policies for corporate credit card purchases.**
- Finding 6:** Tuition Waivers – controls were inadequate to ensure that tuition waivers were properly authorized.
- Finding 7:** **Student Accounts Receivable – the university did not adequately reconcile its student accounts receivable records.**
- Finding 8:** University Bookstore – critical security capabilities were improperly granted to several bookstore employees.

*Bold denotes item repeated in full or part from preceding audit report.

**Object/Fund Difference Report
University of Maryland, Baltimore County**

<u>Object/Fund</u>	<u>FY05 Actual</u>	<u>FY06 Working Appropriation</u>	<u>FY07 Allowance</u>	<u>FY06 - FY07 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	1706.92	1741.13	1745.13	4.00	0.2%
02 Contractual	530.70	470.21	500.99	30.78	6.5%
Total Positions	2237.62	2211.34	2246.12	34.78	1.6%
Objects					
01 Salaries and Wages	\$ 162,302,357	\$ 169,514,896	\$ 181,387,394	\$ 11,872,498	7.0%
02 Technical & Spec Fees	1,011,572	319,368	349,368	30,000	9.4%
03 Communication	1,200,473	1,198,225	1,368,225	170,000	14.2%
04 Travel	4,064,914	3,619,447	3,933,369	313,922	8.7%
06 Fuel & Utilities	9,225,313	10,120,857	11,729,956	1,609,099	15.9%
07 Motor Vehicles	549,658	567,440	690,301	122,861	21.7%
08 Contractual Services	32,875,272	41,195,023	36,463,613	-4,731,410	-11.5%
09 Supplies & Materials	16,879,809	16,040,443	16,950,327	909,884	5.7%
11 Equip - Additional	4,011,137	5,425,504	5,508,556	83,052	1.5%
12 Grants, Subsidies, and Contributions	34,064,121	36,337,333	38,334,975	1,997,642	5.5%
13 Fixed Charges	19,341,768	21,148,229	21,692,958	544,729	2.6%
14 Land & Structures	3,599,518	4,079,432	4,863,989	784,557	19.2%
Total Objects	\$ 289,125,912	\$ 309,566,197	\$ 323,273,031	\$ 13,706,834	4.4%
Funds					
40 Unrestricted Fund	\$ 215,663,538	\$ 228,909,423	\$ 242,616,257	\$ 13,706,834	6.0%
43 Restricted Fund	73,462,374	80,656,774	80,656,774	0	0%
Total Funds	\$ 289,125,912	\$ 309,566,197	\$ 323,273,031	\$ 13,706,834	4.4%

Fiscal Summary
University of Maryland, Baltimore County

<u>Program/Unit</u>	<u>FY05 Actual</u>	<u>FY06 Wrk Approp</u>	<u>FY07 Allowance</u>	<u>Change</u>	<u>FY06 - FY07 % Change</u>
01 Instruction	\$ 75,713,526	\$ 79,490,303	\$ 85,251,047	\$ 5,760,744	7.2%
02 Research	50,445,196	47,340,889	51,156,728	3,815,839	8.1%
03 Public Service	16,851,096	26,507,464	21,557,575	-4,949,889	-18.7%
04 Academic Support	15,182,937	17,517,174	17,595,935	78,761	0.4%
05 Student Services	9,316,068	10,046,126	10,148,002	101,876	1.0%
06 Institutional Support	24,770,119	25,242,392	26,121,296	878,904	3.5%
07 Operation And Maintenance Of Plant	21,448,186	23,076,336	25,665,995	2,589,659	11.2%
08 Auxiliary Enterprises	45,493,539	47,710,478	51,707,026	3,996,548	8.4%
17 Scholarships And Fellowships	29,905,245	32,635,035	34,069,427	1,434,392	4.4%
Total Expenditures	\$ 289,125,912	\$ 309,566,197	\$ 323,273,031	\$ 13,706,834	4.4%
Unrestricted Fund	\$ 215,663,538	\$ 228,909,423	\$ 242,616,257	\$ 13,706,834	6.0%
Restricted Fund	73,462,374	80,656,774	80,656,774	0	0%
Total Appropriations	\$ 289,125,912	\$ 309,566,197	\$ 323,273,031	\$ 13,706,834	4.4%